

The complaint

Miss L says Ageas Insurance Limited didn't offer her enough for her campervan when she made a claim on her motorhome insurance policy and provided very poor service to her.

What happened

Miss L's vehicle was written-off after a non-fault incident in December 2021. She thought it was a rare model and would be worth £18,000, given the overheated second-hand vehicle market and the fact that campervans had increased in popularity during the pandemic. She also said she'd just spent £2,000 on the engine. Ageas's engineer inspected but he didn't increase the offer of £11,000 even after Miss L sent in adverts she thought were persuasive.

Meanwhile, Miss L had been provided with a replacement hire car. In March 2022 the hire firm contacted her to arrange to collect it. Miss L asked for hire to be extended until a settlement was agreed and she'd bought a new vehicle. Ageas said that wasn't possible. Miss L pointed out that Ageas hadn't contacted her for over 8 weeks after the accident / claim and hadn't returned her calls - or told her about the hire ending. She thought with better service the claim wouldn't have dragged on, so she'd have a new vehicle and the dispute over hire wouldn't have happened. Ageas said Miss L had caused the delay by not accepting the reasonable settlement sum it had offered.

Miss L made a formal complaint to Ageas on 8 March 2022. Shortly afterwards she told it she was without a car from 14 March 2022 (when the hire car was collected) for eight weeks. She'd already told Ageas that as she was disabled, with multiple health conditions, she had to rely on having her own transport for daily living. She said she'd had to pay to borrow a car from a friend, and that when she could afford it, she'd bought a 'run-around' car.

One of our investigators reviewed Miss L's complaint. Ageas hadn't provided its business file at the time – and the national trade guides we normally use for valuations didn't quote for the vehicle. So the investigator thought it would be fair for Ageas to pay Miss L £18,000. Ageas then sent us its file, including the adverts its engineer had considered. We weren't able to get a bespoke valuation for Miss L's vehicle. So the investigator reviewed all the adverts found by Ageas and Miss L. He noted that Miss L's adverts were for vehicles from the same decade in which her vehicle was registered, whereas Ageas's weren't. He said Ageas hadn't said why it had offered the lowest of the valuations in the range it had found (£11,000 to £14,000). He said it should offer Miss L £14,000 - but he didn't think it should pay compensation as well, as he thought the vehicle was hard to value.

Ageas didn't agree that it should offer Miss L more than it had done already, but Miss L didn't accept that her vehicle was worth less than £18,000. And she objected at length (with supporting evidence) to not having been compensated for Ageas's poor service. As there was no agreement, the complaint was passed to me for review.

I issued a provisional decision as follows:

Miss L has commented extensively on the situation and has provided many documents, including emails between her and Ageas. I don't intend to comment on every point that has been made by Miss L - or by Ageas. But I've read all the documents on the file and will comment on those that I think are crucial to Miss L's complaint.

The valuation

It isn't our role to value vehicles. Instead we look at whether the valuation an insurer has offered appears to be reasonable, based on the available evidence.

In this case I can see it would have been hard for Ageas to decide what the likely pre-accident market value of Miss L's vehicle was. There was no guidance available from the national trade guides, and I don't think the adverts found by Ageas and Miss L were particularly helpful either. In my opinion, there's a lack of consistency across the adverts as a whole – which is one of the reasons why we don't usually find the prices shown in them persuasive. The other reason we don't find adverts reliable is that they only show asking prices – which may not be achieved. I note that the prices in some of the adverts under consideration here have been reduced, despite the current 'hot' second-hand market.

Miss L's vehicle was registered in 1999. The investigator preferred the adverts for vehicles from that decade. But I think it's reasonable to consider vehicles than were registered more recently too, so I've also looked at those registered from 2000 onwards.

Miss L has set out in detail the specification of her vehicle and has shown that recently she spent £2,000 on reconditioning the engine after the cambelt failed. Unfortunately, the maintenance of a vehicle doesn't increase its value. If it isn't kept in a roadworthy state, its value drops. Ageas's engineer thought Miss L's vehicle was of a good standard for its age, although he found some pre-accident damage on it. He noted that two vehicles in adverts Miss L had submitted were converted to campervans by 'high-end' firms. The one with the best specification (including a hot water system, a toilet and central heating – and with half the mileage of Miss L's vehicle) was advertised at £18,000. But the other high-end conversion (older than Miss L's but with very low mileage) was advertised at £10,995.

Recently, Miss L found two more adverts for vehicles on sale for £18,000 and set out the features her vehicle had that theirs didn't. Both vehicles had around half the mileage of her campervan – and it's not possible to say what price either vehicle will sell for. Neither seems to have the very high specification of the other vehicle advertised at £18,000. And in terms of the 'extras' on Miss L's vehicle, in my opinion not all of them will necessarily add much value. I think many consumers are more interested in buying a vehicle with low mileage, as the overall wear and tear it will have sustained will be lower.

The range of prices in the adverts is from £6,000 to £18,000 – and all the advertised vehicles have considerably less mileage than Miss L's vehicle. Most of them were registered after hers. But Miss L still thinks her campervan is worth at least £18,000. I don't think the evidence supports her opinion. I think the value of her vehicle is likely to be somewhere between that and £11,000. The halfway point is £14,500 - but the advertised prices of other vehicles registered in the same year as Miss L's campervan (all with substantially less mileage than hers) is £13,300. Miss L's vehicle may have higher specifications than some or all of them, but I don't think that outweighs the much greater mileage on it.

I can see why the engineer settled on £11,000 as a valuation, given that one of the high-end conversions, with much less mileage (but four years older than Miss L's campervan) was on sale at £10,995. But in my opinion, some of the other adverts should also have been taken into consideration, given the great difficulty in this case in establishing a fair market value price for Miss L's vehicle. I think it would have been reasonable for Ageas to have offered

Miss L £13,300, so I'm minded to conclude that it should increase its offer. Miss L thinks the interest on the settlement sum should be 10%, but currently this service only requires businesses to pay interest at 8%.

Poor service

Miss L has listed numerous issues that she regards as poor service on Ageas's part. I won't set them all out here, but I think some of the issues relate to the accident itself or to the choices Miss L made. For example, it isn't Ageas's fault that Miss L is likely to have to pay higher premiums after a non-fault accident. That's the result of standard industry practice. And I think the considerable inconvenience and distress Miss L has detailed that was caused by having the damaged campervan parked outside her home for so long stemmed from her decision not to allow Ageas to collect it. Miss L says she thought handing it over would reduce her bargaining power, but I don't think she's shown that there was a sound basis for that view. If she was dubious about it, I think she should have checked with Ageas.

In my opinion, other issues Miss L has referred to show poor service on Ageas's part. These include it not giving her notice about the car hire ending, promised calls back from it not being made, emails not being answered, and Miss L having to chase Ageas, only to find (around eight weeks after the engineer inspected her vehicle) that it had been written-off and valued at £11,000. I can see why all of that would have been frustrating for her – although the level of inconvenience she faced was limited by the fact that she was in hire for much of the time. But I think Miss L's major concern is that the claim dragged on, due to the offer Ageas made and her view that it wasn't reasonable

Valuations are often disputed, and one of the standard ways of moving them on is for the insurer to offer its valuation as an interim sum, and then give notice of the end of hire. Miss L told Ageas from the start that she was disabled and relied heavily on having her own transport for daily living. So it was even more important in her case to ensure that she had a vehicle. I haven't seen anything on the file to show that Ageas offered Miss L an interim payment. Had it done so, Miss L could have continued to dispute the valuation and could have bought another vehicle on a temporary basis. Much of the stress she faced in dealing with the hire firm could have been avoided and she wouldn't have been left without transport for several weeks.

Taking everything into account, I'm minded to conclude that Ageas should pay Miss L compensation for distress and inconvenience. Subject to further comments from the parties, in my opinion, £350 would be a reasonable sum.

When I asked the parties to comment on my provisional findings, Ageas accepted them, but Miss L said she hoped the decision would be changed in terms of the valuation and the compensation for distress and inconvenience. She said her mental and physical health had declined as a direct result of Ageas's poor service – and that she'll be financially affected for years by being unable to replace the only valuable asset she had with one that's like-for like. Miss L also provided medical evidence from her GP and a hospital doctor, as follows:

- In her GP's opinion, Miss L's mental health has been affected by dealing with the claims process following the accident, which she told him she'd found extremely stressful. He said it led to relapses of her conditions (anxiety and depression) which impacted on daily living, with which he said she's struggling. The GP also said Miss L had told him that losing her independence (by being without transport, after having problems with the courtesy car) had made her life much harder.
- The hospital doctor commented on the significant stress Miss L had been struggling with (for reasons that pre-dated the accident) and which had led to her referral by the

GP to specialist services. She said that currently, Miss L is coping with low mood and a reduction in her physical and mental energy, which means she's unable to take part in planned therapy sessions at the hospital.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Part of the compensation proposed in my provisional decision was for the general poor service Miss L got from Ageas. And part of it was to make up for her not having been offered an interim settlement. I thought that would have made her life much easier. As Miss L had told Ageas about her disability - and her need to have her own transport for daily living – I thought an interim offer was more vital to her than to most non-disabled consumers.

I've now reconsidered the impact of Ageas's actions on Miss L in the light of her further comments and the medical evidence she's provided. Based on what she and the medical practitioners have said, I think it's reasonable to conclude that Miss L was coping with serious problems before the accident, and that she was already dealing with the impact of stress on her physical and mental health before she had any contact with Ageas. But I think the evidence points to her condition having deteriorated after the accident.

In my opinion, the loss of a treasured vehicle in itself will have had an adverse impact on Miss L's state of mind. And she'd explained previously how upset she was with the situation that arose as a result of having the damaged campervan parked outside her home. I don't think Ageas can be blamed for any of that. But I think Miss L faced great frustration, extra stress and unnecessary inconvenience as a result of its lack of contact, followed by a period without transport that was particularly hard for her. And I think all of that was avoidable.

In my opinion, an average consumer would have been distressed and inconvenienced by what happened. In the light of the medical evidence, I think it would be fair for Ageas to pay Miss L £500 in total for distress and inconvenience. I think that sum reflects the impact some of its actions had on her, as a disabled person with several medical conditions. We advised Ageas of the proposed increase in compensation recently, and of the reason for it, but it didn't comment. Miss L appears to be happy with it - and I think it's appropriate here.

Initially, in response to my provisional decision Miss L didn't provide any more information about the valuation. But after she was advised of the proposed increase in compensation for distress and inconvenience, she provided a further advert. Miss L said the campervan shown in the advert – on sale for £16,495 - was the closest she'd seen to her own vehicle. She said although it had half the mileage of hers, the value of campervans is in their conversions.

I note that the advert shows the campervan was registered in the year after Miss L's vehicle, and that its mileage is much less than half that of hers. The campervan is described as being in very good, rust-free condition, whereas there was some pre-existing damage on Miss L's vehicle. And it has a new top-up roof that Miss L's vehicle didn't have, as far as I can see. But it seems a basic history check on the advertised vehicle hadn't been done when the advert appeared. It isn't possible to say what any advertised vehicle will sell for, but one for sale without basic history checks may well not achieve its asking price.

Even if it does, I don't think the advertised vehicle is really comparable to Miss L's vehicle, mainly because of its low mileage, but also partly due to the other factors mentioned above. I know Miss L disagrees, but many consumers are wary of high mileage on a vehicle (because of the amount of wear and tear associated with it) so they'll pay more for a similar vehicle with low mileage.

I've considered the valuation issue carefully, as I know how unhappy Miss L was with Ageas's offer and that she doesn't think my proposal to increase it is sufficient. I appreciate that she's faced a very difficult situation following the loss of her vehicle. But having taken everything into account, I don't intend to change the sum set out in my provisional decision, as I don't think Miss L has been able to show that it would be fair and reasonable to do so.

My final decision

My final decision is that I uphold this complaint. I require Ageas Insurance Limited to do the following:

- Pay Miss L £13,300 for her vehicle
- Add interest to that sum, at the simple yearly rate of 8%, from the date of its initial offer to the date of settlement
- Pay Miss L £500 compensation for distress and inconvenience

If Ageas thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Miss L how much it has taken off. It should also provide a tax deduction certificate if required, so she can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 12 December 2022.

Susan Ewins
Ombudsman